

Message Text

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ACTION IO-14

INFO OCT-01 ARA-10 ISO-00 L-03 FRB-03 OMB-01 ITC-01
SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00
EB-08 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-05
TRSE-00 CEA-01 SS-15 /089 W
-----030917 270146Z /66

R 261638Z SEP 77
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC 7616
INFO AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
AMEMBASSY MANAGUA
AMEMBASSY SAN JOSE
USMISSION GENEVA

C O N F I D E N T I A L GUATEMALA 6050

FROM ROCAP

E.O. 11652: GDS
TAGS: UNCTAD, ECON, EGEN, XK
SUBJ: UNCTAD COMMON FUND: THE SEARCH FOR A COORDINATED
CENTRAL AMERICAN POSITION

REF: (A) STATE 191312; (B) SAN SALVADOR 4329

1. SUMMARY: SIECA IS TAKING AN ACTIVE ROLE IN COORDINATING
A CENTRAL AMERICAN POSITION ON THE UNCTAD COMMON FUND AND WILL
PROBABLY BE REPRESENTED AT THE NOVEMBER 7 - DECEMBER 2 GENEVA
MEETING BY A SPECIAL REPRESENTATIVE. SIECA'S CURRENT LEADER-
SHIP ROLE, HOWEVER, IS LIKELY TO DIMINISH AS CENTRAL AMERICAN
GOVERNMENTS AND PRINCIPAL PRIVATE ASSOCIATIONS BECOME MORE
AWARE OF THE COMMON FUND'S RELATIONSHIP TO THE REGION'S
MAJOR EXPORT CROPS. ROCAP HAS PROVIDED KEY SIECA PERSONNEL
WITH BACKGROUND MATERIAL ON U.S. POSITION. END SUMMARY.

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2. OFFICIALS OF THE PERMANENT SECRETARIAT FOR THE CENTRAL
AMERICAN COMMON MARKET (SIECA), IN RECENT CONVERSATIONS WITH
A ROCAP OFFICER, NOTED THAT THE COMMON FUND ISSUE HAD LARGELY
GONE UNNOTICED IN CENTRAL AMERICA. TO CORRECT THIS IGNORANCE,
AND BECAUSE OF SIECA'S OWN LACK OF EXPERTISE ON COMMON FUND
DEVELOPMENTS, SIECA INVITED UNCTAD COMMODITY EXPERT, CARLOS
PEREZ DEL CASTILLO, TO ADDRESS THE REGION'S VICE-MINISTERS OF

ECONOMY DURING AUGUST (AS REPORTED IN REFTEL (B). THE DIRECTOR OF SIECA'S COMMERCIAL POLICY DEPARTMENT, JOSE DE JESUS MONTEAGUDO MUNOZ, WILL VISIT GENEVA FOR A WEEK IN EARLY OCTOBER FOR MORE INTENSIVE BRIEFING BY UNCTAD EXPERTS ON THE COMMON FUND.

3. SIECA IS SCHEDULING FOR LATE OCTOBER ADDITIONAL BRIEFINGS FOR THE REGION'S ECONOMIC AND AGRICULTURE MINISTERS ON THE CURRENT STATUS OF NEGOTIATIONS ON THE COMMON FUND, ON MULTILATERAL TRADE NEGOTIATIONS (MTN) AND ON SPECIFIC COMMODITIES OF SPECIAL INTEREST TO CENTRAL AMERICA (ESPECIALLY SUGAR, COFFEE, COTTON, BEEF AND BANANAS). MONTEAGUDO, TOGETHER WITH HIS ASSISTANT, HAROLDO RODAS (FORMERLY SIECA REPRESENTATIVE AT GENEVA FOR THE MTN), AND HIS IMMEDIATE SUPERIOR, SIECA DEPUTY SECRETARY GENERAL RODOLFO TREJOS, WILL BE THE KEY SIECA PERSONNEL AT THESE BRIEFINGS. MONTEAGUDO ALSO WILL PROBABLY REPRESENT SIECA AT THE NOVEMBER 7 - DECEMBER 2 GENEVA MEETING ON THE COMMON FUND WHERE HE WILL BE RESPONSIBLE FOR HELPING TO COORDINATE A CENTRAL AMERICAN POSITION. (ACCORDING TO SIECA OFFICIALS, JOSE ANTONIO BARAHONA, SIECA'S PRESENT REPRESENTATIVE AT GENEVA FOR THE MTN, IS FULLY OCCUPIED WITH THE MTN DELIBERATIONS AND PROBABLY WILL NOT PLAY A KEY ROLE IN THE COMMON FUND DISCUSSIONS.)

4. SIECA HOPES THAT THE LATE OCTOBER MEETINGS OF CENTRAL CONFIDENTIAL

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AMERICAN OFFICIALS WILL RESULT IN A UNIFIED REGIONAL POSITION ON THE COMMON FUND. SIECA OFFICIALS NOTE, HOWEVER, THAT KEY GOVERNMENT OFFICIALS AND PRIVATE PRODUCER ASSOCIATIONS CONTINUE LARGELY TO FOCUS ON SPECIFIC COMMODITY ISSUES AND SIECA EXPECTS THAT THEIR INTEREST IN THE COMMON FUND WILL EVOLVE SLOWLY ONLY AS ITS RELATIONSHIP TO CENTRAL AMERICA'S EXPORTS BECOMES CLEARER. (SIECA'S ANALYSIS CLOSELY PARALLELS THE COMMENT IN EMBASSY GUATEMALA TELEGRAM 5561.)

5. COMMENT: WE EXPECT THAT SIECA'S CURRENT LEADERSHIP ROLE IN DEVELOPING A CENTRAL AMERICAN POSITION ON THE COMMON FUND IS LIKELY TO DIMINISH AS PRIVATE SECTOR GROUPS (OFTEN HIGHLY INFLUENTIAL ON CENTRAL AMERICAN GOVERNMENTAL POLICY) AND GOVERNMENT LEADERS BECOME MORE INTERESTED IN THE COMMON FUND. BUT IN THE MEANTIME, BY DEFAULT IF NOTHING ELSE, SIECA IS IN THE FOREFRONT. ROCAP HAS PROVIDED KEY SIECA OFFICIALS WITH THE BACKGROUND MATERIAL SUGGESTED IN REFTEL (A) AND WE PLAN TO CONTINUE A DIALOGUE ON THIS IMPORTANT AREA. SHOULD DEPARTMENT EXPERTS BE TRAVELING THROUGH GUATEMALA (PER REFTEL (A)), IT WOULD BE USEFUL FOR THEM TO BRIEF SIECA.

6. BIOGRAPHIC NOTE: MONTEAGUDO, A CAREER SIECA OFFICIAL, IS A GUATEMALAN NATIONAL IN HIS LATE FIFTIES. HE DOES NOT SPEAK ENGLISH. ROCAP HAS FOUND HIM TO BE FRIENDLY IN HIS DEALINGS WITH US, BUT HE IS AN EXTREMELY CAUTIOUS BUREAUCRAT WHO WILL NOT NORMALLY VOLUNTEER AN OPINION OR EVEN FORMALLY MEET WITH USG OFFICIALS UNTIL SO AUTHORIZED BY HIS SUPERIORS.

ACKERMAN.

ALSO PLEASE PASS USAID/GUATEMALA...

ANDREWS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, COMMODITIES, NEGOTIATIONS, INTERGOVERNMENTAL COOPERATION, MEETINGS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GUATEM06050
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770350-0972
Format: TEL
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770923/aaaaatbq.tel
Line Count: 124
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Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 191312, 77 SAN SALVADOR 4329
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1138058
Secure: OPEN
Status: NATIVE
Subject: UNCTAD COMMON FUND: THE SEARCH FOR A COORDINATED CENTRAL AMERICAN POSITION
TAGS: ECON, EGEN, XK, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/4dbc2a3e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009